

MINUTES OF A REGULAR MEETING OF  
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH  
BOARD OF COMMISSIONERS  
AUGUST 25, 2022

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street and via Zoom on Thursday, August 25, 2022 at 5:00 p.m.

The Board Chair called the meeting to order and upon roll call the following were present and absent:

Present: Eric Braun, Valerie Crutchfield, Susan Ellinger (late), Niya Fonville- Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Absent: Bahati Mutisya.

Visitors: Charles Francis, Francis Law Firm, PLLC; Kristen Kirby, McGuire Woods, PLLC; Noah Wagner, Oppidan; Kayla Rosenberg, DHIC; Sam Weldon, Blue Ridge Atlantic; Iesha Cobb, Heritage Park resident.

RHA Staff: Sonia Anderson, Susie Bass, Priscilla Batts, Suzy Bryan, Lisa Currie, Liz Edgerton, Laura McCann, Paul McDonough, Jennifer Morgan, Donna Perez, Jason Schloop, Gwen Wall.

The Board Chair declared a quorum present and welcomed everyone to the meeting.

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RECOGNITION OF VISITORS

Mrs. Edgerton welcomed the visitors to the meeting.

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PUBLIC COMMENTS

There were no public comments this evening.

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CONSENT AGENDA

All items on the Consent Agenda are considered to be routine and may be enacted by one motion and second. If a Commissioner requests that an item be removed from the Consent Agenda it will be done and considered as a separate item. The vote will be a roll call vote.

Item 1

Charge-off of delinquent resident accounts for June 2022

Charge-off of delinquent resident accounts for July 2022

Item 2

Financial Statements for July 2022

Item 3

Vacancy and Turnover Summary for June 2022

Vacancy and Turnover Summary for July 2022

Item 4

Minutes from June 23, 2022 Regular Meeting.

Minutes from July 14, 2022 Special Meeting.

RECOMMENDATION: Approval as submitted by staff.

Commissioner Braun moved and Commissioner Warren seconded approval of the Consent Agenda.

A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None

The Consent Agenda has been adopted.

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REPORT OF THE BOARD CHAIR

The Board Chair commended the staff and EJP for putting on a great Board Retreat. He said the staff and Board all enjoyed it and accomplished a lot. He would like to see that an annual event.

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REPORT OF THE BOARD SECRETARY

**RAD Update**

- All of the closing documents for Berkshire Village were signed by both OCAC and RHA in preparation for the closing. We are waiting for HUD to notify RHA on whether we will close on August 30<sup>th</sup>.
- Once we close, the documents will be executed and uploaded to HUD’s website. The HAP contract will begin October 1<sup>st</sup> and the leases will switch from Public Housing to Project Based Vouchers on October 1<sup>st</sup>.
- The RCCs for Terrace Park, Meadow Ridge, and Valleybrook were received on August 15<sup>th</sup> and are being brought to the board tonight for approval. We expect to close on these properties at the end of October.
- The third party inspectors were here in July and August to get the units inspected per HUD’s RAD requirements. Maintenance has been working to get the repairs that the inspector identified completed in order for the units to pass the inspections. All units

except for two have passed inspection. We will work with the inspector to get the remaining two units completed.

## **IT Updates**

### **Cyber Security Insurance**

- We have setup Multi-Factor Authentication (MFA) for all remote users. This prevents someone from logging into our servers without this authentication.
- We have sent a follow up email to our insurance rep to see if they can now provide a quote since we have purchased and installed these licenses. Staff is waiting to hear from them.

### **Contractor has evaluated our network system**

- We have procured a contractor to make some suggested improvements.
- He is going to update our domain controllers.
- He will also add switches to allow us to separate different connections on the network such as a guest access, Board access, staff access and voice over IP phones.
- We expect the contractor to start work in early September.

## **Contract Services Update**

- Overseeing the installation of a new fire alarm system at Carriage House Apartments. We are at the end of phase 2 of this process. This process required three passes through each floor. We are on floor 8 with the third pass. After completing this floor, the contractor will finish work in the common areas and complete final details. We anticipate a November completion date.
- Working to get the benches installed at Walnut Terrace. Since the last report, they have poured the concrete pads and we are working through the logistics of ordering the benches with our supplier.
- Completed the installation of poles at Chavis Heights and staff is working with the City to get their approval of tree removals necessary for the camera views.

## **Auditing Services**

- Staff is working to complete the audit report and will send it out to the Board. Our auditor principal, Dale Rector, will be presenting the report at the October Board Meeting.
- We continue to work on catching up our late recertifications through staffing and are working to contract with outside services to move this along.

## **Board Retreat**

- We held our first Board Retreat – attended by Commissioners and Executive Staff and it was a very beneficial meeting.
- Staff would like to get input regarding a financial dashboard that the Board requested. Is there specific information that you would like to see in that dashboard?

## **COVID State of Emergency Update**

- Governor ended the COVID-19 state of emergency 08/15/22.

- Our legal counsel sent out a memo regarding the hybrid Board Meetings in relation to the ending of the State Of Emergency.
- After speaking with both legal and the Board Chair we will continue with the hybrid meetings.

**Heritage Park**

Staff is distributing a flyer to residents at Heritage Park about a meeting with the RHA staff to communicate updates on the redevelopment. The meeting will take place on September 21<sup>st</sup> from 6:00 pm – 7:00 pm (in-person). It will be held in the CIS Learning Center at Heritage Park. All Board Commissioners are invited to attend.

There will be a 2<sup>nd</sup> meeting held via Zoom on September 27<sup>th</sup> from 12:00 pm – 1:00 pm.

**Annual Meeting**

The Annual Meeting will take place next month at the regular RHA Board Meeting. We will be selecting new officers at that time.

Commissioner Warren suggested setting up the committees in some sort of formal way during the Annual Meeting (maybe with resolutions). Mrs. Edgerton said she would discuss this with Mr. Francis.

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**REPORT OF THE REPOSITIONING COMMITTEE CHAIR**

Commissioner Warren said the committee has not met since July 12<sup>th</sup>. The Board got an update on the RAD conversions and the Section 18 proposal for Heritage Park. The Committee also discussed an update of the June 16<sup>th</sup> meeting with the City of Raleigh staff. The Committee went into executive session to discuss the process for identifying a Co-Developer for Heritage Park.

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**REPORT OF THE TRANSITION COMMITTEE CHAIR**

Commissioner Braun said RHA retained the search company Gans, Gans & Associates to assist with the CEO search. They are in the process of doing stakeholder outreach and interviews, both in terms of residents, community groups, elected officials and some staff (internally as well as staff from other Wake County and City that are involved in affordable housing). They will also conduct individual interviews of Board Commissioners to get a sense of what the expectations are for this new person. They will use that information to develop a final job description and compensation package, which will be the basis of the marketing and advertising for the position. We're going to do a national search. We're also going to advertise it locally and in the state so that we have the opportunity to have a diverse candidate pool with local candidates who are familiar with North Carolina. We hope to begin the actual active marketing process in mid-September and the goal is to have a new CEO in place before the end of this year.

COMMISSIONER COMMENTS

Commissioner Whitehouse commended the staff and Mrs. Edgerton for this transition period. Everyone has done a tremendous job, carrying a lot of additional responsibilities. The Board is very appreciative of that.

Commissioner Warren said he was happy to get to know the senior leadership team better at the Board Retreat.

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NEW BUSINESS

Mrs. Edgerton said the first two bond resolutions are related to Thrive at South End. The bond amount is \$12,000,000. This is a bond deal of 90 units to be located at 420 Chapanoke Road.

This first resolution is for the issuance and sale of the bonds. With this resolution you are approving myself, Chairman, and/or Vice Chair to execute any documents for the issuance and sale of the bonds.

This was reviewed by counsel with no exceptions.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 52 (2022)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF  
MULTIFAMILY NOTE FOR THRIVE AT SOUTH END

WHEREAS, BRAD Thrive at Renaissance, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental facility to be known as Thrive at South End, consisting of 90 units to be located at 420 Chapanoke Road in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Note (the “Multifamily Note”) in the principal amount not to exceed \$12,000,000; and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with Bank OZK (the “Initial Funding Lender”) during construction of the Development, and privately placed with the Federal Home Loan Mortgage Corporation (“Freddie Mac”) once the Development has reached stabilization, pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”), among the Authority, the Initial Funding Lender and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”); and

WHEREAS, it is anticipated that the proceeds of the Multifamily Note will be loaned to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”), among the Authority, the Borrower and the Fiscal Agent, for the purpose of (i) paying a portion of the costs of the acquisition, construction and equipping of the Development, (ii) paying capitalized

interest on the Multifamily Note, and (iii) paying certain expenses in connection with the issuance of the Multifamily Note; and

WHEREAS, the Borrower's obligations under the Project Loan Agreement will be secured by a Future Advance Deed of Trust and Security Agreement, from the Borrower to the deed of trust trustee named therein for the benefit of the Authority (the "Deed of Trust"), and various other security documents, all of which will be assigned to the Fiscal Agent for the benefit of the Initial Funding Lender; and

WHEREAS, there have been presented to this meeting draft forms of the following instruments (collectively, the "Authority Documents"), which the Authority proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Authority:

- (a) the Funding Loan Agreement, together with the form of the Multifamily Note attached thereto;
- (b) the Project Loan Agreement;
- (c) the promissory note of the Borrower in favor of the Authority (the "Borrower Note"), which will be endorsed by the Authority to the Fiscal Agent;
- (d) the Deed of Trust;
- (e) the Assignment of Future Advance Deed of Trust and Security Agreement and Loan Documents (the "Authority Assignment"), by the Authority in favor of the Fiscal Agent; and
- (f) the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), pursuant to which the Borrower will be required to operate the Development in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH DOES HEREBY RESOLVE, AS FOLLOWS:

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Development through the issuance of the Multifamily Note pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended, the loan of the proceeds thereof and the deposit of such proceeds with the Fiscal Agent in accordance with the Funding Loan Agreement and the Project Loan Agreement.
2. The Authority hereby authorizes the issuance and sale of the Multifamily Note pursuant to and in accordance with the terms set forth in the Funding Loan Agreement. The Multifamily Note will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Funding Loan Agreement; provided, however, that the aggregate principal amount of the Multifamily Note shall not exceed \$12,000,000.

3. Each of the Chairman, Vice Chairman and Interim Executive Director of the Authority or his or her respective designee is hereby authorized and directed to execute and deliver the Authority Documents to the other parties thereto. Each of the Chairman, Vice Chairman and Interim Executive Director of the Authority or his or her respective designee, is authorized and directed to execute and deliver such endorsements, assignments and other instruments as may be necessary to assign the Borrower Note, the Deed of Trust and other security documents to the Fiscal Agent.

4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Multifamily Note in the manner and subject to the conditions provided in the Funding Loan Agreement to the Fiscal Agent for authentication, and to cause the Multifamily Note so executed and authenticated to be delivered to or for the account of the Initial Funding Lender, or any affiliate thereof, upon payment of the purchase price therefor.

5. The Authority Documents shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary or convenient to reflect the final terms of the Multifamily Note, and as otherwise approved by the officers of the Authority executing them after consultation with counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

6. Any authorization made hereby to the officers of the Authority to execute a document shall include authorization to the Chairman, Vice Chairman and Interim Executive Director of the Authority, or their respective designees, to execute the document, authorization to the Secretary or any Assistant Secretary to affix the seal of the Authority to such document and attest such seal and where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Authority Documents.

7. Such officers are hereby authorized and directed to execute and deliver any and all other documents, agreements, instruments, and certificates in the name and on behalf of the Authority as may be necessary or desirable to the issuance of the Multifamily Note. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Development and the issuance and sale of the Multifamily Note are hereby ratified, confirmed and approved.

8. This resolution shall take effect immediately.

(Susan Ellinger recused herself.)

Commissioner Whitehouse moved and Commissioner Braun seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 52 (2022) has been adopted.

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Mrs. Edgerton said this resolution is to approve the finance team for Thrive at South End. The reason we have to approve the team is because this will go to Local Government Commission (LGC) and they want to see that we have approved it.

This was reviewed by counsel with no exceptions.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 53 (2022)

RESOLUTION APPROVING FINANCING TEAM AND MAKING CERTAIN FINDINGS  
WITH RESPECT TO THE ISSUANCE OF A MULTIFAMILY NOTE FOR THRIVE AT  
SOUTH END

WHEREAS, BRAD Thrive at Renaissance, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental facility to be known as Thrive at South End, consisting of 90 units to be located at 420 Chapanoke Road in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority finds that the financing of the Development through a tax-exempt note will fulfill the Authority’s purpose under the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”) to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, which is defined in the statute to include “loans and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income;” and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Note (the “Multifamily Note”) in the principal amount not to exceed \$12,000,000; and

WHEREAS, the North Carolina Local Government Commission has requested the Authority to make certain findings with respect to the Multifamily Note consistent with Section 159-153 of the North Carolina General Statutes; and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with Bank OZK (the “Initial Funding Lender”) during construction of the Development, and privately placed with the Federal Home Loan Mortgage Corporation (“Freddie Mac”) once the Development has reached stabilization; and

WHEREAS, the Borrower has requested that the Authority approve its selection of the following financing team members for the issuance and sale of the Multifamily Note, on the terms and at



the fees set forth in the documents and financial information relating to the financing, providing for the issuance and sale by the Authority and the purchase by the Initial Funding Lender of the Multifamily Note and in the financial information provided to the Authority with respect to the Multifamily Note:

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Francis Law Firm, PLLC
Borrower:	BRAD Thrive at Renaissance, LLC
Borrower's Counsel:	Coleman Talley LLP
Fiscal Agent:	U.S. Bank Trust Company, National Association
Fiscal Agent's Counsel:	Nexen Pruet, PLLC
Initial Funding Lender:	Bank OZK
Initial Funding Lender's Counsel:	Jones Walker LLP
Permanent Lender:	Federal Home Loan Mortgage Corporation
Freddie Mac Servicer:	ORIX Real Estate Capital, LLC d/b/a Lument Capital
Freddie Mac's/Servicer's Counsel:	Katten Muchin Rosenman LLP
Tax Credit Investor:	RBC Community Investments, LLC
Tax Credit Investor's Counsel:	Applegate & Thorne-Thomsen, P.C.

WHEREAS, based upon information and evidence received by the Authority, it has determined to approve the Borrower's request;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA DOES HEREBY RESOLVE, AS FOLLOWS:

1. The above financing team for the issuance and sale of the Multifamily Note by the Authority is hereby authorized and approved.
2. The Authority hereby finds that the financing is necessary and expedient to further the Authority's purpose of promoting low and moderate income housing in the City of Raleigh, North Carolina, and that the acquisition, construction and equipping of the Development proposed by the Borrower are necessary and sufficient to accomplish the Authority's purposes with respect to the properties involved.
3. The Authority hereby finds that the Borrower has demonstrated that the amount of debt to be incurred in connection with the Development and the fees to be paid in connection therewith are sufficient but not excessive for the purpose of acquiring and constructing the Development.
4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitment of the Initial Funding Lender to purchase and hold the Multifamily Note during construction of the Development and the commitment of Freddie Mac to purchase the Multifamily Note upon conversion of the Development to permanent financing, and (iii) the award of bond volume cap allocation by the North Carolina Federal Tax Reform Allocation Committee at the recommendation of the North Carolina Housing Finance Agency, that the Borrower has demonstrated that (a) it is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Project Loan Agreement among the Authority, the Borrower and the Fiscal Agent (the "Project Loan Agreement"), which will provide the funds to pay principal and interest on the Multifamily Note, and (b) the

Development will generate sufficient revenues to make loan repayments and other payments under the Project Loan Agreement, to operate, repair and maintain the Development at its own expense and to discharge such other responsibilities as may be imposed under the Project Loan Agreement. The Authority further finds that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Multifamily Note, and the operation, repair and maintenance of the Development at the expense of the Borrower.

5. The Authority hereby finds that the use of the proceeds of the Multifamily Note for a loan to finance the costs of the Development and for the other purposes stated above will accomplish the public purposes set forth in the Act and hereby approves such use of proceeds.

6. This Resolution shall take effect immediately upon its passage.

(Susan Ellinger recused herself.)

Commissioner Whitehouse moved and Commissioner Warren seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 53 (2022) has been adopted.

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Mrs. Edgerton said this resolution is to amend the previously-amended inducement resolution from \$21,000,000 (amended in March 2022) to \$27,000,000 in multi-family housing revenue bonds Milner Commons. (The original amount was \$18,000,000).

The project consists of 156 senior units (55+). The building is 4 story building with an elevator. The development is located at 1950 New Bern Avenue.

Over the past 18 months, the project's cost has been impacted with construction material and labor cost. The costs increased per unit from \$152,971 (Aug 2021), to \$194,282 (6 months later), and \$222,687 (June 2022 with a pricing escalator).

Commissioner Winstead will recuse herself as she is currently Executive Director of DHIC.

Commissioner Whitehouse asked what has caused the drastic increase over a span of five months.

Ms. Rosenberg said there have been several increases that we have encountered over the past several months of the project. A lot of them are related specifically to delays in receiving crucial elements, such as ductile iron pipe.

RESOLUTION NO. 54 (2022)

RESOLUTION AMENDING PRELIMINARY APPROVAL TO ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE BONDS (MILNER COMMONS)

WHEREAS, on December 3, 2020, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) adopted a resolution (the “Original Preliminary Resolution”) giving preliminary approval to the issuance of the Authority’s multifamily housing revenue bonds in an amount not to exceed \$18,000,000 (the “Bonds”), the proceeds of which would be loaned to Milner Senior Housing Partners, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”), to finance the acquisition, construction and equipping of a multifamily housing development to be known as Milner Commons, consisting of 156 units located at 1950 New Bern Avenue in the City of Raleigh, North Carolina (the “Development”); and

WHEREAS, on March 24, 2022, the Board of Commissioners of the Authority adopted a resolution (the “Amended Preliminary Resolution” and, together with the Original Preliminary Resolution, the “Preliminary Resolutions”) increasing the authorized amount of the Bonds to an amount not to exceed \$21,000,000; and

WHEREAS, the Authority and the Borrower received an allocation of volume cap under Section 146 of the Internal Revenue Code of 1986, as amended (the “Code”) for the Bonds in the amount of \$21,000,000 from the North Carolina Federal Tax Reform Allocation Committee (“TRAC”), based on the recommendation of the North Carolina Housing Finance Agency (“NCHFA”); and

WHEREAS, the Borrower has determined that the amount of tax-exempt debt to be provided to finance the cost of the Development is more than originally anticipated, and has requested the Authority to amend the Preliminary Resolutions to increase the amount of the Bonds to an amount not to exceed \$27,000,000; and

WHEREAS, the Borrower has requested the NCHFA and TRAC to increase the amount of volume cap for the Development from \$21,000,000 to up to \$27,000,000;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

1. The Authority hereby confirms the determination it made in the Preliminary Resolutions that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Borrower in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority’s multifamily housing revenue bonds (the “Bonds”) in an amount now estimated not to exceed Twenty-Seven Million Dollars (\$27,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as an expression of official intent toward the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2 promulgated by the Internal Revenue Service pursuant to the Code.
3. All other terms of the Preliminary Resolutions remain in full force and effect.
4. This resolution shall take effect immediately.

(Susan Ellinger and Yolanda Winstead recused themselves.)

Commissioner Whitehouse moved and Commissioner Fonville-Swint seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse

Nay: None

Resolution No. 54 (2022) has been adopted.

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Mrs. Edgerton said this resolution is the inducement resolution for up to \$25,500,000 in multi-family housing revenue bonds. The developer is Oppidan out of Minnesota. Per state statute, RHA is the issuer for these bonds. They are non-recourse bonds, so if the developer were to default on these bonds, RHA is not financially responsible.

Staff does a broad review of the application, looking at the financials and the overall submittal to make sure it seems viable and meets the City of Raleigh's requirements.

The project consists of 192 family units. There will be 7 residential buildings on site plus a clubhouse. Unit makeup is 48 one-bedroom units, 102 two-bedroom units and 42 three-bedroom units.

The development is located on the north side of Middle Branch Road in East Raleigh, approximately one-quarter mile southwest of its interchange with I-440 in Raleigh.

Amenities will include a clubhouse, fitness center, computer room, game room, and playground.

The project is exempt from the City's Affordable Housing Location Policy as it is within ½ mile of a transit stop served at intervals of 15 minutes or better in each direction throughout the day.

Oppidan would be scheduled to close in March 2023 and begin construction, with leases beginning in March 2025.

The target market will be households at 60% or less AMI, 10% will be funded by Keys Rental Assistance. They will accept Section 8 vouchers which we administer at RHA.

The rents will range from \$1,057- \$1,440, depending on bedroom size.

The total project is approximately \$42 million.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 55 (2022)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY  
HOUSING REVENUE BONDS (BIRCH AND BRANCH APARTMENTS)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) held a regular meeting at 5:00 p.m. on the 25<sup>th</sup> day of August, 2022; and

WHEREAS, the Authority is organized and operates pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”); and

WHEREAS, the Act defines “housing project” in N.C.G.S. § 157-3(12) to include “property, buildings and improvements . . . acquired or constructed . . . pursuant to a . . . plan or undertaking . . . [t]o provide grants, loans, interest supplements and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income”; and

WHEREAS, the Act in N.C.G.S. § 157-9 gives the Authority the power “to provide for the construction, reconstruction, improvement, alteration or repair of any housing project” and “to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, an affiliated or related entity of Oppidan, Inc., Affordable Housing Institute, Inc. and GDE Holdings, LLC (the “Company”), intends to provide low and moderate income housing in the City of Raleigh, North Carolina (the “City”); and

WHEREAS, the Company has requested that the Authority assist it or an affiliate in financing the acquisition, construction and equipping of a multifamily housing development to be known as Birch and Branch Apartments, consisting of 192 units located at approximately 3499 Middle Branch Road in the City (the “Development”); and

WHEREAS, the Company has described to the Authority the benefits of the Development to the City and the State of North Carolina and has requested the Authority to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, constructing and equipping the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

1. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Company in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority's multifamily housing revenue bonds (the "Bonds") in an amount now estimated not to exceed Twenty-Five Million Five Hundred Thousand Dollars (\$25,500,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as "official action" toward the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations issued by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the "Code").

3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the Authority and the Company. The Authority and the Company shall enter into a "financing agreement" pursuant to the Act for a term and with payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the Authority in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the Authority and a trustee (the "Trustee") or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the Authority's rights to payments under the financing agreement, except the Authority's right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Authority and the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.

4. The Authority hereby authorizes the Company to proceed, upon the prior advice, consent and approval of the Company and bond counsel, and consistent with the Company's representations to the Authority, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Raleigh, North Carolina, and, if required, the North Carolina Local Government Commission, and to obtain an allocation of a sufficient amount of the State of North Carolina's "private activity bond limit", as required by Section 141 of the Code and as defined in Section 146 of the Code, for the Bonds.

5. It having been represented to the Authority that it is desirable to proceed with the acquisition, construction and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, construction and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection

therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the Authority's adoption of this resolution. The Authority agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred by it as permitted by Treasury Regulations Section 1.150-2.

6. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Company to terms for the issuance, sale and delivery of the Bonds, and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. The Authority has not authorized and does not authorize the expenditure of any funds or monies of the Authority from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Development, including the reasonable fees and expenses of the Authority's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the Authority shall have no responsibility therefor. It is understood and agreed by the Authority and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the Authority.

7. The officers of the Authority are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.

8. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

9. This resolution shall take effect immediately.

(Susan Ellinger recused herself.)

Commissioner Warren moved and Commissioner Braun seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 55 (2022) has been adopted.

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(The next three resolutions were discussed together.)

Mrs. Edgerton said each of these resolutions are the RAD Conversion Commitment (RCC) for the next three properties that we are planning to convert. These include Meadow Ridge (59 units), Valleybrook(49 units), and Terrace Park (45 units).

This is the next step in our RAD closing for the three properties.

We received the RCCs on August 15<sup>th</sup> and we have 30 days to get them signed. Once we sign the RCC, we have 90 days in which to close on that property. We will get a closing date once the RCC is executed and returned.

We are hoping to close around Oct 31<sup>st</sup> with HAP contracts being dated Dec 1<sup>st</sup>. However, this is HUD's busy season so this could be delayed.

The Sources and Uses will be updated closer to the closing. The rehab assistance payments are there for informational purposes only. We don't have any vacant units so this is not applicable. If you have any amendments to this document we need to know now so we can execute and send them to HUD.

The document has been reviewed by Banks Law firm.

Commissioner Warren asked if this is transparent to the residents when it occurs. When we do the RAD conversion, and this is now a Section Eight HAP contract instead of Public Housing, does that impact any of the residents? Do they have to fill out new paperwork or leases?

Mrs. Edgerton said they will have to sign a new lease. They do not have to recertify to be eligible.

Commissioner Morris asked what happens when they move out and the next tenant moves in. Mrs. Edgerton said they will have to get certification that they're eligible.

Commissioner Warren asked if the income limits for these are 60% or 30%.

Laura McCann said public housing income limits go up to 80% AMI, Section 8 income limits go up to 50% AMI. Any of the individuals who are switched from Public Housing to RAD are grandfathered into that 80%. The new residents will be held to the 50%.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 56 (2022)

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina ("RHA") is the owner of the Meadow Ridge public housing development (NC002000014) which consists of 59 dwelling units and one non-dwelling unit used for a community center located in Raleigh, North Carolina (the "*Development*"); and

WHEREAS, the Rental Assistance Demonstration program is authorized by the Consolidated and Further Continuing Appropriations Act of 2012, as amended (the "*RAD Program*"); and



WHEREAS, the RAD Program allows public housing authorities to convert projects funded under the public housing program to long-term project-based Section 8 rental assistance contracts; and

WHEREAS, RHA has received authorization from the United States Department of Housing and Urban Development (“HUD”) to convert the 59 public housing dwelling units in Meadow Ridge to project-based voucher units, through the RAD Program (the “*RAD Conversion*”); and

WHEREAS, the authorization has been memorialized in a RAD Conversion Commitment (Public Housing First Component), executed by HUD on August 15, 2022 (the “RCC”), attached hereto as EXHIBIT A; and

WHEREAS, it is anticipated the RAD Conversion will involve the transfer of the Development (through a long-term ground lease) to Meadowridge, LLC, a North Carolina limited liability whose sole member is Oak City Affordable Communities, Inc., a North Carolina non-profit corporation and instrumentality of RHA (the “*Project Owner*”); and

WHEREAS, pursuant to the terms of the RCC, RHA and the Project Owner must return to HUD a fully-executed RCC before the 30<sup>th</sup> day from the date the RCC was executed by HUD; and

WHEREAS, RHA has determined that the execution of the RCC is in its best interest and the best interest of the Project Owner;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina, and on behalf of Oak City Affordable Communities, Inc., that:

1. The RCC is in all respects authorized and approved, with all changes, if any, noted by the RHA Board of Commissioners at this Regular Meeting and reflected in the official minutes.
2. RHA and the Project Owner are authorized to execute and deliver all necessary documentation in connection with the RCC, including any amendments to the RCC, and any and all other documents or instruments as may reasonably be required.
3. The Chairman and Executive Director, including their respective authorized designees, are hereby authorized to execute and deliver all documents or instruments as may reasonably be required in order to carry out, in the name of RHA and the Project Owner, the purpose and intent of the foregoing resolutions.
4. This Resolution shall take effect immediately.

Commissioner Whitehouse moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 56 (2022) has been adopted.

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Mrs. Edgerton said this is the same information as the previous resolution with the exception that Valleybrook has 49 units.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 57 (2022)

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (“RHA”) is the owner of the Valleybrook public housing development (NC002000019) which consists of 49 dwelling units and one non-dwelling unit used for a management office located in Raleigh, North Carolina (the “*Development*”); and

WHEREAS, the Rental Assistance Demonstration program is authorized by the Consolidated and Further Continuing Appropriations Act of 2012, as amended (the “*RAD Program*”); and

WHEREAS, the RAD Program allows public housing authorities to convert projects funded under the public housing program to long-term project-based Section 8 rental assistance contracts; and

WHEREAS, RHA has received authorization from the United States Department of Housing and Urban Development (“HUD”) to convert the 49 public housing dwelling units in Valleybrook to project-based voucher units, through the RAD Program (the “*RAD Conversion*”); and

WHEREAS, the authorization has been memorialized in a RAD Conversion Commitment (Public Housing First Component), executed by HUD on August 15, 2022 (the “*RCC*”), attached hereto as EXHIBIT A; and

WHEREAS, it is anticipated the RAD Conversion will involve the transfer of the Development (through a long-term ground lease) to Valleybrook Housing, LLC, a North Carolina limited liability whose sole member is Oak City Affordable Communities, Inc., a North Carolina non-profit corporation and instrumentality of RHA (the “*Project Owner*”); and

WHEREAS, pursuant to the terms of the RCC, RHA and the Project Owner must return to HUD a fully-executed RCC before the 30<sup>th</sup> day from the date the RCC was executed by HUD; and

WHEREAS, RHA has determined that the execution of the RCC is in its best interest and the best interest of the Project Owner;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina, and on behalf of Oak City Affordable Communities, Inc., that:

1. The RCC is in all respects authorized and approved, with all changes, if any, noted by the RHA Board of Commissioners at this Regular Meeting and reflected in the official minutes.
2. RHA and the Project Owner are authorized to execute and deliver all necessary documentation in connection with the RCC, including any amendments to the RCC, and any and all other documents or instruments as may reasonably be required.
3. The Chairman and Executive Director, including their respective authorized designees, are hereby authorized to execute and deliver all documents or instruments as may reasonably be required in order to carry out, in the name of RHA and the Project Owner, the purpose and intent of the foregoing resolutions.
4. This Resolution shall take effect immediately.

Commissioner Braun moved and Commissioner Whitehouse seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 57 (2022) has been adopted.

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Mrs. Edgerton said Terrace Park has 45 units. The RCCs have been reviewed by banks Law Firm.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 58 (2022)

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (“RHA”) is the owner of the Terrace Park public housing development (NC002000022) which consists of 45 dwelling units and one non-dwelling unit used for a community center located in Raleigh, North Carolina (the “*Development*”); and

WHEREAS, the Rental Assistance Demonstration program is authorized by the Consolidated and Further Continuing Appropriations Act of 2012, as amended (the “*RAD Program*”); and

WHEREAS, the RAD Program allows public housing authorities to convert projects funded under the public housing program to long-term project-based Section 8 rental assistance contracts; and

WHEREAS, RHA has received authorization from the United States Department of Housing and Urban Development (“HUD”) to convert the 45 public housing dwelling units in Terrace Park to project-based voucher units, through the RAD Program (the “*RAD Conversion*”); and

WHEREAS, the authorization has been memorialized in a RAD Conversion Commitment (Public Housing First Component), executed by HUD on August 15, 2022 (the “RCC”), attached hereto as EXHIBIT A; and

WHEREAS, it is anticipated the RAD Conversion will involve the transfer of the Development (through a long-term ground lease) to Terrace Park, LLC, a North Carolina limited liability whose sole member is Oak City Affordable Communities, Inc., a North Carolina non-profit corporation and instrumentality of RHA (the “*Project Owner*”); and

WHEREAS, pursuant to the terms of the RCC, RHA and the Project Owner must return to HUD a fully-executed RCC before the 30<sup>th</sup> day from the date the RCC was executed by HUD; and

WHEREAS, RHA has determined that the execution of the RCC is in its best interest and the best interest of the Project Owner;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina, and on behalf of Oak City Affordable Communities, Inc., that:

1. The RCC is in all respects authorized and approved, with all changes, if any, noted by the RHA Board of Commissioners at this Regular Meeting and reflected in the official minutes.
2. RHA and the Project Owner are authorized to execute and deliver all necessary documentation in connection with the RCC, including any amendments to the RCC, and any and all other documents or instruments as may reasonably be required.
3. The Chairman and Executive Director, including their respective authorized designees, are hereby authorized to execute and deliver all documents or instruments as may reasonably be required in order to carry out, in the name of RHA and the Project Owner, the purpose and intent of the foregoing resolutions.
4. This Resolution shall take effect immediately.

Commissioner Warren moved and Commissioner Whitehouse seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 58 (2022) has been adopted.

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Mrs. Edgerton said that OCAC, Inc. was formed as a 501(c)3 non-profit to serve as a managing member of the properties converting to RAD. HUD requires the funds for the RAD entities to be placed in separate bank accounts for each LLC.

The Bank requires that we set up an OCAC account in order to open the LLC accounts. The bank requires \$2,500 minimum. OCAC will not earn fees or receive excess cash from the RAD properties until the properties begin operations. However, accounts need to be set up prior to closing so that the cash can transfer the day of closing.

We are using First Horizon for OCAC banking. We currently use them for Halifax Senior Housing, and CAD rental for Walnut Terrace and Capitol Park. We also have remote deposits through their bank which helps us save on monthly cost.

We received quotes from PNC, Truist, and First Horizon. First Horizon offered the lowest fees and they have great customer service.

This resolution will allow the Local Fund to provide a temporary loan until OCAC has enough cash to pay the loan off.

Commissioner Whitehouse asked if this is enough money to get them started so they won't need to come back for more.

Mrs. Edgerton said once we move the cash into the LLCs we can see what sort of excess cash there is. There will be opportunity, according to the Governing Agreement that was set up for OCAC, that would allow us to transfer from the other properties, if necessary.

Commissioner Ellinger asked if there are any additional members of the LLCs. Mr. Francis said OCAC is the sole member of each LLC.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 59 (2022)

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") introduced the Rental Assistance Demonstration ("RAD") program in 2012 that, upon successful conversion, provides long-term Section 8 contracts to Public Housing Authorities ("PHAs"); and

WHEREAS, on January 27, 2020, HUD approved RHA’s RAD application and issued a Commitment to Enter into a Housing Assistance Payments (“CHAP”) for all 16 AMPs; and

WHEREAS, on February 27, 2020, RHA requested the CHAPs be returned for all properties except Berkshire Village, Meadow Ridge, Terrace Park, and Valleybrook and changed to a portfolio; and

WHEREAS, the Authority formed Oak City Affordable Communities, Inc., a 501(c)(3) non-profit entity, to serve as the managing member of the properties converting to RAD; and

WHEREAS, Oak City Affordable Communities, Inc. formed limited liability companies known as Berkshire Village, LLC; Valleybrook Housing, LLC; Meadowridge, LLC; and Terrace Park, LLC to act as the ownership entity of these properties converting to RAD; and

WHEREAS, HUD requires the funds for the RAD entities be placed in segregated bank accounts; and

WHEREAS, in order for the bank accounts for the LLCs to be opened, the bank requires an account to be set up for Oak City Affordable Communities, Inc. (“OCAC”); and

WHEREAS, OCAC will not earn fees or receive excess cash from the RAD properties until the properties begin operations; and

WHEREAS, the bank accounts need to be established prior to the RAD closing so that the funds can be transferred on the day of closing;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NC a temporary loan from Local Fund to the Oak City Affordable Communities, Inc. in the amount of \$2,500 to open the necessary bank account be approved.

BE IT FUTHER RESOLVED that the loan be repaid once Oak City Affordable Communities, Inc. has received fees or excess cash from Berkshire Village, LLC; Valleybrook Housing, LLC; Meadowridge, LLC; and Terrace Park, LLC.

Commissioner Braun moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 59 (2022) has been adopted.

Mrs. Edgerton said RHA’s current Capitalization Policy was last updated in 2012. The threshold for assets is currently \$5,000. Due to demands, we have seen increases in costs for both materials and services. Prior to COVID, HVAC replacements averaged \$3,500-\$4,000. We are now seeing an average of \$6,500-\$9,500.

The auditors asked about our treatment of HVACs during our most recent audit. It was recommended that if we plan to continue not capitalizing HVACs, that we consider updating our policy.

The proposed changes increase real property, improvements, major repairs, and capitalized equipment – including HVAC equipment – to be increased to \$10,000, keeping non-expendable equipment at \$5,000.

This will allow us to analyze expenditures that have occurred this fiscal year.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 60 (2022)

WHEREAS, the current Capitalization Policy was adopted by the RHA Board of Commissioners with Resolution No. 29 on March 22, 2012; and

WHEREAS, staff periodically reviews and updates its policies in light of changes occurring in the industry and recommendations made by the CPA firm that issues the annual audit report; and

WHEREAS, staff has reviewed the Capitalization Policy and recommends the following:

- Increase the capitalization threshold from \$5,000 to \$10,000 for purchases including Real Property Improvements, major repairs, and Capitalized Equipment including HVAC replacement cost and building improvements
- Keep the capitalization threshold of \$5,000 for purchases of Non-Expendable Equipment as defined in the Capitalization Policy; and

WHEREAS, staff has drafted a revised Capitalization Policy, which is attached to this resolution and thereby made a part of the resolution; and

WHEREAS, expenditures made during the fiscal year ending March 31, 2023 will be analyzed during closeout and capitalized in accordance with the revised policy; and

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that the attached updated Capitalization Policy become effective immediately.

BE IT FURTHER RESOLVED that staff is authorized to analyze expenditures made from capital projects during the fiscal year ending March 31, 2023 and will capitalize these costs in accordance with the revised Policy.

Commissioner Whitehouse moved and Commissioner Warren seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 60 (2022) has been adopted.

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Mrs. Edgerton said Murphey School Apartments is a 46-unit Moderate Rehabilitation Section Eight property owned by Murphey School, LLC whose 15-year contract has expired in 2005.

Since that time, RHA is annually requested to seek renewal funding from HUD. The current contract extension expires in December 2022 and the LLC has asked RHA to pursue another year from HUD.

This resolution authorizes staff to draft a letter to HUD seeking approval. If approved, it also authorizes RHA to requisition the additional funding which is just over \$379,755 for HAP and Administrative Fees for the upcoming year.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 61 (2022)

WHEREAS, in June 1988, the Housing Authority of the City of Raleigh (“RHA”) entered into a contract with the U.S. Department of Housing and Urban Development (“HUD”) for the administration of a Section Eight Moderate Rehabilitation program (A-2900-K) in the amount of \$14,148,000 to provide project-based housing assistance for a period of fifteen years; and

WHEREAS, the contracts for the Housing Assistance Payments (“HAP”) with the property owners were executed in stages with each stage having a separate fifteen year term resulting in contracts that expired at different times; and

WHEREAS, of the initial 104 units originally under contract in this program, only 46 remain; and

WHEREAS, the remaining units are part of Murphey School Apartments located at 443 North Person Street, which is owned by Murphey School, LLC; and

WHEREAS, the original contract for these units expired on December 4, 2005; and

WHEREAS, RHA has received approvals from HUD in the sixteen previous fiscal years to extend the contract for additional twelve month terms; and



WHEREAS, the current contract will expire on December 4, 2022; and

WHEREAS, Murphey School, LLC has asked RHA to contact HUD to request a one-year renewal of the contract for these 46 units; and

WHEREAS, the available funding remaining in the HUD-held project reserves is approximately \$104,974; and

WHEREAS, RHA estimates \$379,755 is needed for the HAP payments and administrative fees for these units for an additional year;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is authorized to seek renewal funding from HUD for the 46 units at Murphey School Apartments.

BE IT FURTHER RESOLVED that following HUD's approval of the renewal funding, staff be authorized to prepare and submit the HUD forms necessary to renew the contract and request the additional funding needed to support these units through the end of the current fiscal year which will end on March 31, 2023.

(Commissioner Winstead recused herself.)

Commissioner Whitehouse moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse

Nay: None

Resolution No. 61 (2022) has been adopted.

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Mrs. Edgerton said we are currently using HAB software that was purchased in 2011. Since that time, the software, along with many other well-known software providers, were acquired by MRI.

In 2017, MRI announced that they will be introducing a new, improved software by taking the better components of all of the acquired software and blending them into one improved software. However, they have yet to deliver.

We have questioned them on multiple phone calls when they thought this may happen but never received definitive answers.

During COVID, the inefficiencies, including the lack of portals, became more obvious and the Agency formed an IT Committee to start to look for possible solutions and to get demos of other software.

The cost to replace the software was budgeted in our current budget. However, after the RFP evaluation it was determined that we would need to increase that amount.

The evaluation committee has completed their evaluation and I am recommending we move forward with replacement of our current software with Yardi, amending our current budgets accordingly.

Commissioner Whitehouse asked if the \$310,000 is in addition to what had already been approved, or is that the total cost.

Mrs. Edgerton said it's the total amount. We originally had approved \$226,355.

Commissioner Morris asked about the timeframe for that happening. Also, will there be any downtime? And if so, what will it affect?

Mrs. Edgerton said there shouldn't be any downtime. We may have to run the two systems in tandem as we start implementing.

Paul McDonough, IT Manager, said Yardi is recommending a six-month conversion (that's after we get a contract signed and they get a schedule). It might be a month or two before all that can happen. It could be six to eight months before it's fully converted.

Mrs. Edgerton said we're hoping to push that a little. It depends on how much we can implement in that process and get it going. We would like to get that going faster than six to eight months.

Commissioner Warren said Yardi has different modules and one of those may be a maintenance request module so that residents could call maintenance items and also pay remotely. Will those features will be available to residents?

Mr. McDonough said Yardi has the ability to do online work orders. And also the Rentcafe is included in that price that you have in this resolution, which would allow the tenants to be able to access the system remotely. So all of that should be included in the current price.

Mrs. Edgerton said the Rentcafe has a landlord portal and a resident portal.

Commissioner Warren said I think that will be a real benefit to the residents as well as RHA.

Mrs. Edgerton said it comes with a hefty price tag. However, it will streamline the process for staff which would be beneficial to us as well. It may not be so hard to get us fully staffed up after we implement the software.

Commissioner Whitehouse asked if Yardi will help transfer the existing data.

Mrs. Edgerton said they will help us with that. We'll do some initial cleanup and try to bring in as much as possible once the contract is in place. The first step is to take all of our information to make sure they can import it. They will give it to their IT staff to help.

Commissioner Morris asked if this will help clean up some of our management comments with the auditors (the issues of timing of certain things and being able to look at files).

Mrs. Edgerton said it could assist us in that. We will need to educate the residents on how to use these portals and upload the documents so that we can receive things quicker. We can put things in place where they can't submit it to us until it's all in there. I think it will cut down on staff going back and forth to try and get documentation.

Commissioner Ellinger asked what percentage of tenants have phones, remote access, personal computers, etc. What do you do if a tenant doesn't have that?

Mrs. Edgerton said we don't have actual numbers on who does or who doesn't have that capability. However, some of our locations have computer rooms where we provide computer access. As we find the portals being used, we can set up more areas where they are allowed to go access the on-site computers and work with them. There is a nonprofit that leases our St. Saviour's Center space next to Glenwood Towers. They suggested one of the providers could connect some high school or college kids that could volunteer to show residents how to use their phones, iPads, or their computers and teach them through that process.

Commissioner Warren said there will still be the old fashioned way of paying your rent. Just out of curiosity, does RHA take personal checks or do you only take money orders?

Mrs. Edgerton said we take checks and money orders. This new Yardi system actually allows you to go to pay stations as well. Instead of having to purchase the money order, you can pay your bill right there and then it would upload into our system the payment.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 62 (2022)

WHEREAS, in 2011, the Housing Authority of the City of Raleigh ("RHA") selected HAB Inc. as the software provider for RHA; and

WHEREAS, the software is still in use by RHA today; and

WHEREAS, in 2017 RHA learned that HAB Inc. had been acquired by MRI; and

WHEREAS, MRI announced in 2017 that they will be creating a new software system that will replace the HAB software; and

WHEREAS, to date MRI has not completed the new software system and cannot provide a firm date when the new software will be available; and

WHEREAS, during the past two years the need for an advanced software system that incorporates web-based portals has increased; and

WHEREAS, to operate more efficiently, RHA desires to procure a new software system that currently includes web-based portals; and

WHEREAS, all operations of RHA are affected by the system; and

WHEREAS, the interdependence of the various systems, highly regulated environment, and the high degree of specialization of PHA operations requires all software to be procured from a single vendor offering an integrated system; and

WHEREAS, RHA staff solicited prices from other major vendors in the industry that supply equivalent systems; and

WHEREAS, the IT Committee comprised of RHA Staff viewed a demo from each vendor that responded to the RFP; and

WHEREAS, the recommended software including conversion cost and training is estimated at \$310,000 with the majority of this cost accruing to the Capital Fund and Housing Choice Voucher Programs and some costs affecting the Central Cost Center; and

WHEREAS, staff is recommending the procurement be handled as replacement of the current system;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is authorized to procure a new software system, and to pursue the procurement as a replacement of the current software system.

BE IT FURTHER RESOLVED that staff is authorized to amend the budgets for the programs involved as necessary to fund the replacement.

Commissioner Ellinger moved and Commissioner Warren seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 62 (2022) has been adopted.

Mrs. Edgerton said the Admissions and Continued Occupancy Policy (“ACOP”) for Housing Management establishes the rules we must follow in administering the Public Housing program. We have proposed some changes to the ACOP to address some items which have come up or we anticipate they could come up in the future. The Executive Summary is behind the resolution.

Laura McCann set the document up to allow navigation through the table of contents.

Changes include:

- Section added in relation to the commitment to the ethics and service. This was included to align with our goals and to be transparent and improve communication with those we serve.
- Added clarity to the wait list preference section.
- Added clarity for conflicts with the existing policy and the HUD-granted elderly designation assigned to Glenwood Towers and Carriage House.
- Added better language to describe the utility allowances.
- Added better language to explain the self-sufficiency requirements that were waived during COVID.
- Made a separate “Pets” section.
- Added a glossary at the end of the policy.

These proposed changes go out for public comment for 30 days. Staff anticipates bringing this back to the Board for final approval in October Board meeting.

Commissioner Morris asked if all RHA properties allow pets.

Mrs. McCann said all RHA properties allow pets – there are size and animal-type requirements but no breed requirements.

Commissioner Warren said he appreciates the time and effort that goes into making these revisions. It shows that the staff is trying to make a very complicated process clear to the residents.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 63 (2022)

WHEREAS, the Housing Authority of the City of Raleigh (RHA) is required to set forth the requirements, standards, and criteria for the public housing program in its Admissions and Continued Occupancy Policy (ACOP); and

WHEREAS, staff has proposed updates to the policy and the attached Executive Summary acts as a guide to these proposed changes; and

WHEREAS, the proposed changes will be made available for resident and public comment in accordance with federal regulations; and

WHEREAS, a draft of the proposed Admissions and Continued Occupancy Policy will be made available on RHA’s web page; and

WHEREAS, the ACOP is included and incorporated in all resident dwelling leases and the Agency Plan by reference; and

WHEREAS, there may be other changes made to the policy as RHA goes through the public comment and review period;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that staff is directed to seek public input and comment on this policy draft prior to presenting the final policy to the RHA Board.

BE IT FURTHER RESOLVED that the final policy will be brought back before the RHA Board of Commissioners for final approval.

Commissioner Whitehouse moved and Commissioner Warren seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 63 (2022) has been adopted.

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Mrs. Edgerton said Mary Mason, Procurement Specialist, has been working with RHA for 18 years. This position is a vital part of the Agency and keeps us compliant with procurement regulations. Ms. Mason will be retiring at the end of this year and she carries a lot of the institutional knowledge with her.

When the Board approved the 2023 Budget, it included an approval for staffing levels. This resolution is to allow us to hire a replacement prior to the current position being vacated. We plan to add language to the annual budget resolution moving forward to allow the Executive Director to make decisions regarding hiring replacements prior to significant positions vacating to allow cross training by the knowledgeable staff.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 64 (2022)

WHEREAS, the budget for the fiscal year ending March 31, 2023 including the recommended staffing level for the Housing Authority of the City of Raleigh (“RHA”) was approved by the Board of Commissioners with Resolution No. 3 and No. 4 on February 15, 2022; and

WHEREAS, the budget included the Procurement Specialist position; and

WHEREAS, on July 11, 2022, the current Procurement Specialist gave notice of their resignation effective December 16, 2022; and

WHEREAS, the person in this position has been employed with RHA for 18 years; and

WHEREAS, it is in the best interest of RHA to hire their replacement prior to their retirement date of December 16, 2022 to allow for cross training and the sharing of institutional knowledge; and

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that replacement personnel for the Procurement Specialist be hired prior to December 16, 2022 to train with the staff currently in the position be approved.

BE IT FURTHER RESOLVED that staff is authorized to amend the budget as necessary to reflect this action.

Commissioner Whitehouse moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 64 (2022) has been adopted.

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Mrs. Edgerton said the Finance Department has had a vacant Accounting Manager position for approximately 15 months. With me serving as the Interim Executive Director, the department is down a 2<sup>nd</sup> position.

An Accounting Specialist is being recommended to specialize in tenant accounts receivables. The position that currently covers our tenant accounts is an Accounting Clerk position. The day-to-day tasks prevent the in-depth analysis that is needed for the tenant accounts.

This position allows for better analysis of our accounts and provide more quality control and accuracy of the tenant files. This addresses one of the management comments during our audit exit meeting. This will allow more time for the clerk position to help with newly acquired clerical tasks generated from the implementation of RAD and with newly administered Emergency Housing Vouchers, and allows the department to operate at an optimal manner. It also allows for current staff opportunities for advancements

This resolution approves us adding a new position and increase the budgeted-approved staffing level.

Commissioner Morris asked what the salary range is.

Suzy Bryan said it is a Grade 13 (the salary range wasn't available at this time).

Commissioner Ellinger asked how RHA recruits for a position like this.

Mrs. Edgerton said we currently advertise on the RHA website, ZipRecruiter, and Simply Hired.

Commissioner Morris asked if an intern could be used in this position.

Mrs. Edgerton said an intern could probably be used in this position. The Accounting Clerk position could also be an intern – if we promote from within and that position is available.

Commissioner Warren asked how many CPAs are at RHA.

Mrs. Edgerton said there are currently no CPAs at RHA.

Commissioner Morris said this could be a good community outreach opportunity. You might be able to split it up between two different people. You could check with the schools in the area.

Mrs. Edgerton said staff has discussed implementing an internship program at RHA to fill some of the vacant positions. The plans are still being formulated for that.

Commissioner Fonville-Swint said college students may be interested in internships for academic credit.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 65 (2022)

WHEREAS, with resolution 4 on February 15, 2022, the Board of Commissioners of the Housing Authority of the City of Raleigh (RHA) approved the operating budget for the fiscal year ending March 31, 2023; and

WHEREAS, Management have discussed proposed staffing changes in the Administration and Finance Department; and

WHEREAS, the Agency has created a new non-profit Oak City Affordable Housing (OCAC), converted four public housing properties to Project Based Vouchers through the Rental Assistance Demonstration program (RAD) and begin administering Emergency Housing Vouchers (EHV); and



WHEREAS, in order to ensure that the agency is operating in an optimal manner and meeting the operational needs of the department, staff recommends revising the Schedule of All Positions and Salaries in the 2023 operating budget to add an Accounting Specialist – TAR (Grade 13) to the approved staffing level of the Administration-Finance Department; and

WHEREAS, the proposed staffing change will allow the Administration and Finance department to provide more oversight to all programs, allow for cross training of duties, allow for more separation of duties for better internal control and allow current staff opportunities for advancement; and

WHEREAS, there are sufficient operating funds available in the current fiscal year to fund these changes across multiple programs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that an Accounting Specialist (Grade 13) position be added to the approved staffing level for the Administration – Finance Department effective immediately.

BE IT FURTHER RESOLVED that the appropriate budgets be revised to reflect the additional position and the equipment and training necessary to perform the requisite job duties.

Commissioner Warren moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 65 (2022) has been adopted.

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Mrs. Edgerton said we have two resolutions to write off equipment as part of our year-end fiscal close out; one is for fixed assets, the other is for custodial equipment.

Fixed assets are items that cost more than \$5,000. The items are capitalized and depreciated over time. Custodial equipment has a value of \$250 to \$5,000. The cost for these items is expensed at the time of purchase, a onetime journal entry.

The first resolution is for fixed assets greater than \$5,000. These are either broken, obsolete or cannot be used anymore. These assets are assigned to staff and accounted for annually. The Combined Fixed Asset spreadsheet is a list of the fixed asset disposition over the last 10 years.

The disposition list we have attached are of items we have accumulated over the year for disposal. All had fully depreciated except for some Exmark mowers. It is difficult to find someone to service these mowers.

The total for this year is about \$122,000.

**HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 67 (2022)**

WHEREAS, Chapter 9 of the Low-Rent Housing Accounting Guide Book issued by the U.S. Department of Housing and Urban Development requires a physical inventory of all non-expendable equipment be taken not less often than once each fiscal year and the equipment accounts be appropriately adjusted; and

WHEREAS, Resolution No. 29 (2012) approved on March 22, 2012 increased the capitalization threshold for purposes of accounting for fixed assets from \$1,000.00 to \$5,000.00; and

WHEREAS, a physical inventory of the non-expendable items of equipment belonging to the Housing Authority of the City of Raleigh indicates that certain items should be removed from the inventory; and

WHEREAS, items proposed to be removed from the inventory include those which have been replaced, become obsolete or worn out, misplaced or stolen, traded-in on similar items of equipment, declared surplus, sold, damaged, are of low-value, or are inappropriate inventory items; and

WHEREAS, all items of equipment proposed to be removed from inventory are shown on pages accompanying this resolution and thereby made a part of this resolution; and

WHEREAS, Resolution No. 59 (2018), approved October 25, 2018, allows the disposal of vehicles once they are deemed inoperable and not worth repair or totaled by the insurance company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that all fixed assets made part of this resolution be removed from the records of account as of August 25, 2022 as follows:

- Book Cost/Basis \$122,274.98
- Accumulated Depreciation \$117,988.99
- Cost Net of Accumulated Depreciation \$ 4,285.99

BE IT FURTHER RESOLVED that;

- (a) All items with little or no value be disposed of by junking;
- (b) Items of minimal value (under \$50) with some serviceable life remaining be disposed of in the most expeditious manner including donation;
- (c) Items having an estimated current value in excess of \$50 be sold to the highest bidder (if a bidder can be found), otherwise, disposed of in accordance with (b) above.

Commissioner Whitehouse moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 67 (2022) has been adopted.

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Mrs. Edgerton said as part of our year-end fiscal close out, we propose a resolution to write off any custodial equipment which is broken, obsolete or cannot be used anymore.

Custodial assets costs are expensed one time at time of purchase and cost \$250 to \$5,000. The equipment is assigned to staff and accounted for annually. The lists we have attached are of items we have accumulated over the year for disposal. The total is approximately \$24,000. The printers, computers and equipment are out-of-date and no longer work with our updated software.

For the computers, we strip the hard drives out of the computer and they are taken to be shredded so no one can recover data from the hard drives. We receive a certification from the shredding company that they have been destroyed. We then strip the remaining computer for parts and properly dispose of them.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 68 (2022)

WHEREAS, the Board of Commissioners approved Resolution No. 29 (2012) on March 22, 2012 increasing the capitalization threshold for purposes of accounting for fixed assets from \$1,000.00 to \$5,000.00; and

WHEREAS, good fiscal control demands that some items of equipment that cost less than the capitalization threshold still need to be tracked and accounted for by those employees having responsibility for their safekeeping; and

WHEREAS, these items are commonly referred to as custodial equipment; and

WHEREAS, a physical inventory of the items of custodial equipment belonging to the Housing Authority of the City of Raleigh indicates that certain items should be approved for disposition; and

WHEREAS, the custodial equipment items proposed for disposition include those which have been replaced, become obsolete or worn out, misplaced or stolen, traded-in on similar items of equipment, declared surplus, sold, damaged, or are of low-value; and

WHEREAS, items of custodial equipment that are approved for disposition are for informational purposes only and do not require an adjustment to the books of account; and

WHEREAS, all items of custodial equipment proposed for disposition are shown on the pages accompanying this resolution and thereby made a part of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH that all items of custodial equipment with historical costs aggregating \$24,058.45 made part of this resolution be approved for disposition as of August 25, 2022;

BE IT FURTHER RESOLVED that;

- (d) All items with little or no value be disposed of by junking;
- (e) Items of minimal value (under \$50) with some serviceable life remaining be disposed of in the most expeditious manner including donation;
- (f) Items having an estimated current value in excess of \$50 be sold to the highest bidder (if a bidder can be found), otherwise, disposed of in accordance with (b) above.

Commissioner Whitehouse moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 68 (2022) has been adopted.

(This resolution was taken out of order.)

Mrs. Edgerton said RHA desires to maintain competitive compensation practices to attract and retain qualified staff. Since COVID, the US has seen higher inflation than normal. Our Human Resource Manager has inquired current compensation practices both in the local private market and the public sector:

- City of Raleigh - seeing 3-5% merit + 2% COLA (5-7%).
- Wake County – no response.
- Consultant – Salary study 4%-8% combined Merit & COLA.
- SSA – 5.9% in 2022 and predicting 9.6% for 2023.

The COLA increase is calculated at an additional cost of \$346,000 above the current budgeted payroll, with a revised projected surplus of \$234,000. Staff is requesting a 5% COLA effective immediately. Merits are between 1.25% to 6.25%.

Commissioner Morris commends the staff on proactively looking at this. We might need to look at 5%-7% in the future. Is RHA planning another salary study soon?

Mrs. Edgerton said the HR Manager is planning to do another salary study in the fall. We are currently implementing the merits.

Commissioner Warren asked what percent of our workforce is currently vacant.

Mrs. Edgerton said 28%.

Commissioner Morris said we don't want to lose anyone. This is a good step to let people know that we are sincere about what we said about looking at salaries throughout the agency.

Mrs. Edgerton said we have scheduled an all-agency meeting on Monday at 4:00 pm to discuss this.

Commissioner Ellinger asked if staff is finding that you have to pay significantly more to recruit quality employees.

Mrs. Edgerton said it depends on the experience of the applicant and the position that we're filling.

Commissioner Morris thanked Mrs. Edgerton and her staff for their work in preparing this COLA increase.

HOUSING AUTHORITY OF THE CITY OF RALEIGH  
RESOLUTION NO. 66 (2022)

WHEREAS, with resolution 4 on February 15, 2022, the Board of Commissioners of the Housing Authority of the City of Raleigh ("RHA") approved the operating budget for the fiscal year ending March 31, 2023; and

WHEREAS, Management is preparing to deliver annual appraisals to staff for the Fiscal Year Ending March 31, 2022; and

WHEREAS, RHA eligible staff will receive an annual merit based on their work performance; and

WHEREAS, our Human Resource Manager inquired about current compensation practices and trends in both the local private market area and public sector including the City of Raleigh; and

WHEREAS, based on public and private sources in our area, the combined average Cost of Living Adjustments ("COLA") and merits range from 4% to 8%; and

WHEREAS, RHA desires to maintain competitive compensation practices and benefit offerings in order to attract and retain qualified staff; and

WHEREAS, the inflation rate in the US has slowed but is still higher than normal; and

WHEREAS, staff is recommending a 5% COLA increase to all active staff in response to current economic conditions; and

WHEREAS, the 2022 annual merits will be applied to the employee's salary after the COLA has been applied;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH to approve a 5% COLA adjustment effective for the pay period ending August 26 payable on September 2, 2022 for all active employees.

BE IT FURTHER RESOLVED that the Raleigh Housing Authority's budgets be revised for the period ending March 31, 2023.

Commissioner Whitehouse moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead

Nay: None

Resolution No. 66 (2022) has been adopted.

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#### ADJOURNMENT

There being no further business to come before the Board, the Chair declared the regular meeting adjourned at 6:25 p.m.